

Minnesota's American Indian/Alaska Native Children in Out-of-Home Placement


MPA Capstone Paper

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POLICY MEMO

To: Vern LaPlante, Director, DHS Office of Indian Policy

From: University of Minnesota Humphrey School of Public Affairs Capstone Consultant Team

RE: Minnesota's American Indian/Alaska Native Children in Out-of-Home Placement

Executive Summary

In 2017, 11% of American Indian/Alaska Native (AI/AN) children in Minnesota were in out-of-home care (OHC);¹ this is the highest rate in the nation by a wide margin.² While the rates of placements for AI/AN children are 17 times higher than for non-Hispanic white children in the state,³ the reasons for placements across all races/ethnicities are similar;⁴ parental substance use and neglect are the leading reasons identified for out-of-home placement for all groups of children in Minnesota. However, AI/AN children are much more likely to be placed in out-of-home care at very young ages; one-third of all AI/AN children under age 1 in the state were in out-of-home care in 2016. We find that 80% of AI/AN children in OHC are in 7 geographic areas: 5 counties (Beltrami, Hennepin, Ramsey, St. Louis, and Mille Lacs) and 2 Initiative tribes (White Earth and Leech Lake) who manage social services for their tribe.⁵ The total state cost of OHC is \$164,509,869; and 20% of this total is spent on AI/AN children.⁶ While the state is engaged in a number of efforts to decrease this startling disparity, further research is needed to understand the underlying causes and possible solutions.

The Problem

According to Minnesota's Department of Human Services (DHS), 15,004 children were placed in out of home care in 2016 at a cost of \$164,509,869, or about \$11,000 per child in OHC. Of those children, 2,946 (19.6%) were AI/AN children while less than 2% of the children in Minnesota are AI/AN.⁷ The costs associated with placing AI/AN children in foster care, shelter care, residential care, correctional facilities, relative assistance, respite care, and treatment foster care were over \$30 million in 2016.⁸

¹ According to the Minnesota Department of Human Services, Child Safety & Permanency Division, out-of-home care is any 24-hour substitute care authorized by a social service agency, including foster care, shelter care, residential care, correctional facilities, relative assistance, respite care, and treatment foster care.

² Annie E. Casey Foundation. (2016). *Children in Foster Care by Race and Hispanic Origin* [Data file]. Retrieved from <https://datacenter.kidscount.org>.

³ Minnesota Department of Human Services, Child Safety & Permanency Division, data retrieved July 2018

⁴ Minnesota Department of Human Services, Child Safety & Permanency Division, data retrieved July 2018

⁵ Minnesota Department of Human Services, Child Safety & Permanency Division, data retrieved July 2018

⁶ 2016 Minnesota's Out of Home Care and Permanency Report, Children and Family Services

⁷ 2016 Minnesota's Out of Home Care and Permanency Report, Children and Family Services

⁸ Minnesota Department of Human Services, Child Safety & Permanency Division, data retrieved July 2018

While the rates of OHC for American Indian/Alaska Native children is higher than for other children across the country, Minnesota's rate of OHC for AI/AN children of 10.98% far exceeds that of any other state.⁹ The state with the second-highest percentage, Montana, has a rate of only 5.18%, and most states have rates of less than 1%.¹⁰ In contrast, Minnesota's rate of OHC for all children (regardless of race/ethnicity) is 0.68%,¹¹ which is average compared to the rest of the nation.

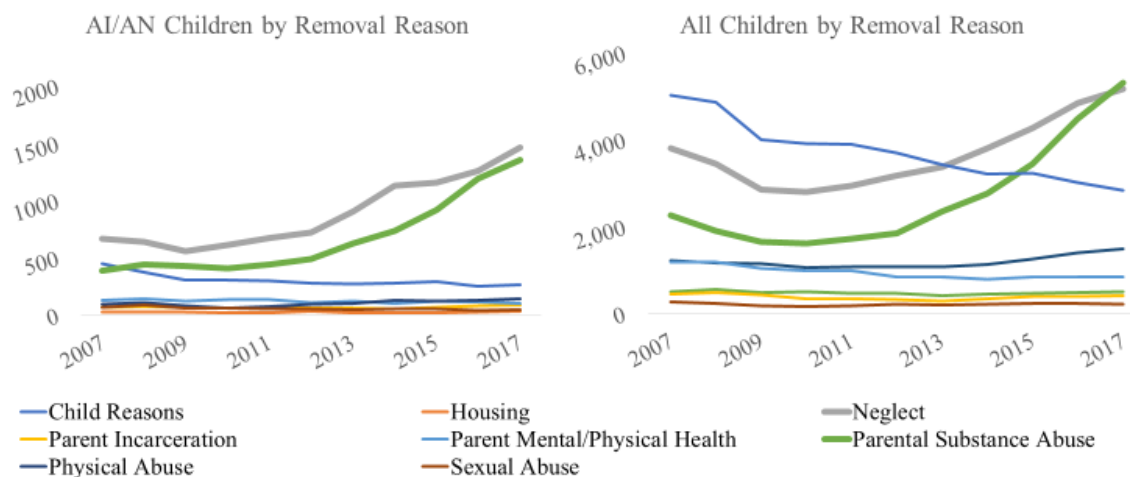
The purpose of this memo is to illuminate some features of this problem, current efforts to address the problem, and suggest potential areas for further research. To this end, we analyzed data from public sources including Kids Count and the American Community Survey, as well as de-identified data on child placements from the Minnesota DHS. In addition, we cite findings from *Minnesota's Out of Home Care and Permanency Report – 2016* produced by DHS. Because DHS data does not include all correctional placements in the state, the findings described below do not capture the full universe of placements.

What are the identified reasons for AI/AN children being placed in OHC?

Possible reasons for Minnesota children to be removed from their homes include: neglect, parental substance abuse, child reasons, parent incarceration, physical abuse, housing, parent mental/physical health, and sexual abuse (see Figure 1). Overall, neglect and parental substance abuse were the most common reasons for removal of both AI/AN and other children in Minnesota. Removal rates for neglect and parental substance abuse have risen dramatically in the state since 2013, with other removal reasons remaining relatively flat.

Figure 1.

Reasons for Out-of-Home Placement



Minnesota Department of Human Services, 2018

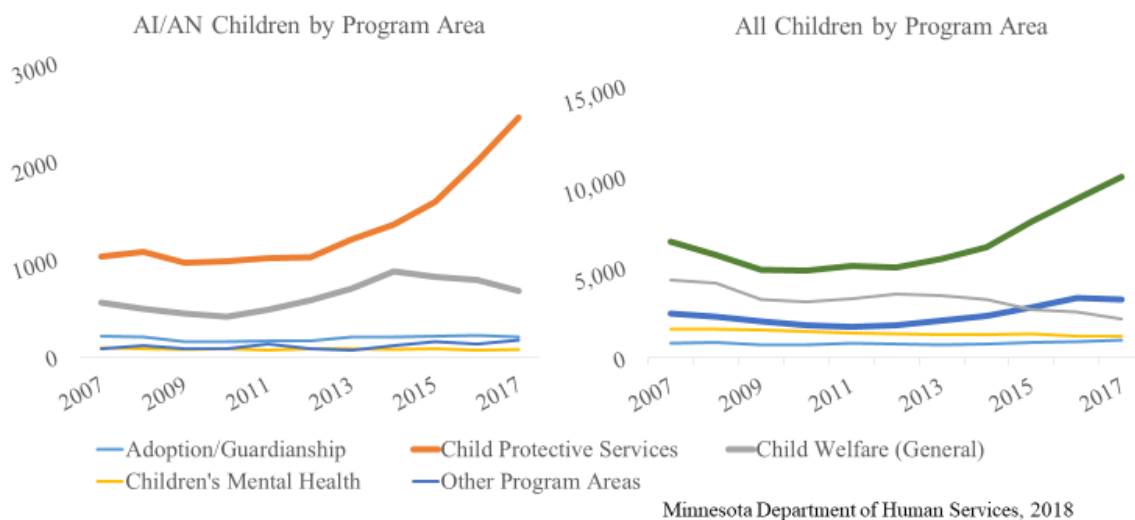
⁹ Annie E. Casey Foundation. (2016). *Children in Foster Care by Race and Hispanic Origin* [Data file]. Retrieved from <https://datacenter.kidscount.org>.

¹⁰ See Appendix A for the rates of OHC for all children and AI/AN children for all 50 states.

¹¹ Annie E. Casey Foundation. (2016). *Children in Foster Care by Race and Hispanic Origin* [Data file]. Retrieved from <https://datacenter.kidscount.org>.

Program areas for out-of-home care include adoption/guardianship, child welfare, child protective services, and children's mental health (see Figure 2). While child protective services was the more common program area for both AI/AN and all children, the second-most common program area for all children was adoption/guardianship, while for AI/AN children it was child welfare.

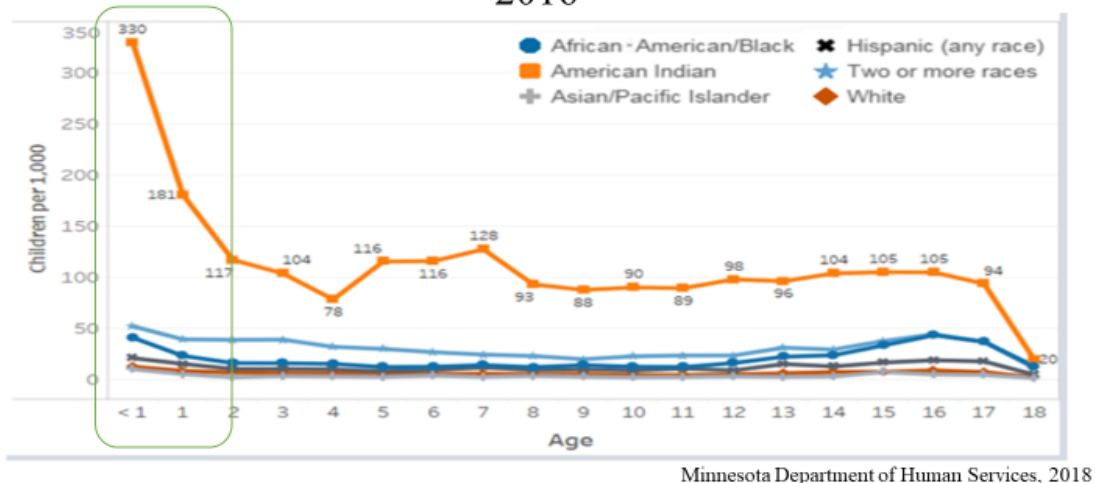
Figure 2. Out-of-Home Placement by Program Area



When comparing the average age of children entering out-of-home care, we discovered that AI/AN children were much more likely to be removed from the home before age 2 compared to children of other races (see Figure 3).

Figure 3.

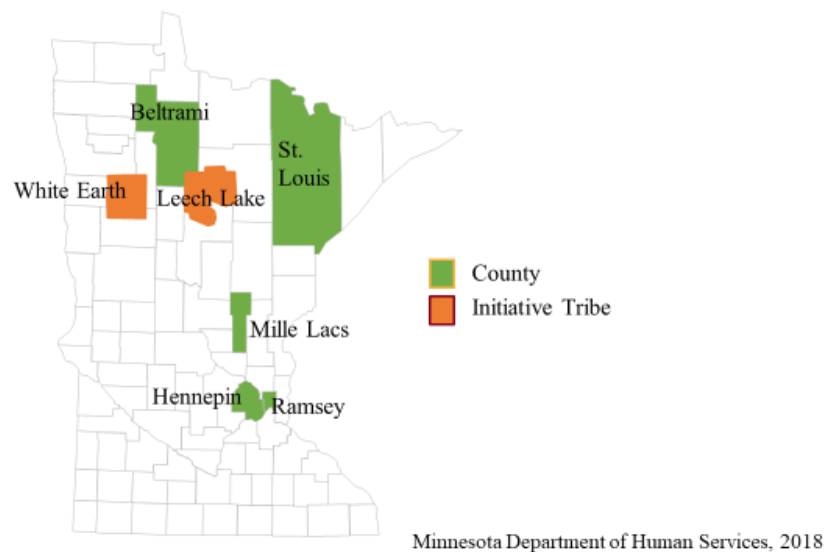
Out-of-Home Placements Shown by Race/Ethnicity and Age, 2016



What are the rates of AI/AN children in OHC across the state of Minnesota?

In 2016, 80% of AI/AN children in out-of-home care were from seven geographic areas: Beltrami, St. Louis, Mille Lacs, Hennepin and Ramsey counties, and the White Earth and Leech Lake initiative tribes (see Figure 4).¹² While there were high rates of AI/AN children in out-of-home care in other areas, these seven regions contained the highest total numbers of AI/AN children removed from their homes. Of those seven regions, Beltrami County has the highest numbers of children in OHC and since 2011 the rates of children in OHC have increased at a higher rate than the other regions (see Figure 5).¹³

Figure 4. Areas with Highest Numbers of AI/AN Children in Out-of-Home Placement

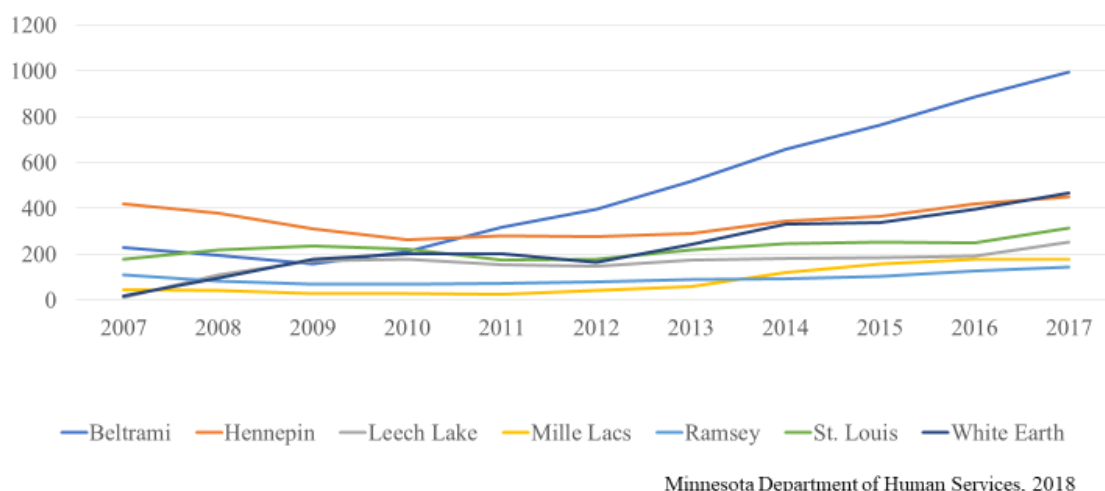


¹² In 2008 child welfare services for Indian children and their families living on the Leech Lake and White Earth Reservations were transformed from a county-based delivery system to a tribal delivery system.

¹³ 2016 Minnesota's Out of Home Care and Permanency Report, Children and Family Services, MN Department of Human Services

Figure 5.

AI/AN Children In Out-of-Home Care by County/Tribe



What are the economics involved in the placement of AI/AN children?

In 2016, Minnesota spent \$164,509,869 on out-of-home care,¹⁴ 20% of which paid for the placement of AI/AN children. These costs only include payments to providers for out-of-home care and do not include the costs of social service, health, and support programs. This amount does not include case management costs, court costs, or costs of juvenile justice placements occurring outside of social services. The average cost for placement of each AI/AN child in Minnesota is approximately \$11,077, which is roughly the same as the cost for any child in OHC in the state.

Funding for out-of-home care comes from a combination of federal, state and local dollars, with counties/tribes responsible for the majority of the funding.¹⁵ In 2016, 49% of OHC costs were covered by the county/tribe, 23% were covered by the state, and 24% was covered by federal funding. Federally funded programs that support state and tribal child welfare, foster care, and adoption services include Titles IV-B and IV-E of the Social Security Act. Title IV-B is related to providing services to promote family preservation and support services to improve parenting and strengthen relationships. Title IV-E has four main components including foster care assistance, adoption assistance, guardianship assistance, and foster care independence programs. In order to collect IV-E reimbursement for foster care placements, counties must adhere to the requirements set forth by the Administration for Children and Families.

The majority of state and local spending is on foster children ineligible for IV-E services, either due to family income or placements other than those permitted under federal programs. State and local agencies work strategically to maximize federal reimbursements, but when IV-E

¹⁴ Data retrieved from Minnesota's Department of Human Services, July 2018

¹⁵ Minnesota Management and Budget, Child Welfare Inventory and Benefit-Cost Analysis, Results First, 2018

funding is not accessible the fiscal burden for placement falls back on state and local agencies. Numerous state funding streams are available to local agencies to support child welfare work, including the Child Protection, Mental Health, and Family Support grants which are 100% state funded; and Family Assessment Response and Parent Support Outreach Program grants which are funded through federal and state dollars.¹⁶

Current efforts to address the problem

In 2016, Minnesota DHS awarded \$105 million per year for two-year grants to tribal, county, and community agencies to reduce disparities in Minnesota's child welfare system. The funds are appropriated to develop, implement, and evaluate activities to address disparities and disproportionality in the child welfare system. Seven of the eight grant recipients are developing programs to address disparities for AI/AN children and other minority groups. Of those seven, four have developed programs specific to AI/AN children. Two of the programs provide services to AI/AN families in the metro area. Two recipients are located in greater Minnesota, one is the White Earth Band, and the other is a joint effort by the Lower Sioux Community and Southwest Health and Human Services.

In addition, in 2017, the state of Minnesota provided \$400,000 to fund a two-year joint effort between the University of Minnesota Duluth and DHS to research the causes of children being removed from their homes and then to implement a pilot training program for child protection workers to better respond to AI/AN families.

Finally, Minnesota Management and Budget Results First report¹⁷ examined 74 services with goals of preventing child maltreatment and out-of-home care. Of the 74, 11 were rated as "proven effective," which means they have a base of research to support a positive impact. Two proven effective practices have been used in various areas around the state.

1. The **Nurse-Family Partnership** is a program that provides intensive home visiting by public health nurses during a woman's pregnancy and the first two years after birth. The program is designed to serve low-income, at-risk pregnant women expecting their first child. The program aims to improve prenatal health outcomes, child health and development, and family economic self-sufficiency. This program is currently being provided by 13 agencies in Minnesota serving 39 counties and 2 Tribal Nations.¹⁸
2. The **Family Dependency Treatment Court** is a program that provides services to cases of child abuse and neglect that involve substance abuse by the child's parents or other caregivers. This specialized court consists of an interdisciplinary team that assesses a family's situation and creates a comprehensive case plan to address the needs of both children and parents, including substance abuse treatment, intensive case management, frequent status hearings, and regular drug testing.

Potential areas for further research

¹⁶ Bulletin 17-32-07 Human Services 2017 Allocations, Minnesota Department of Human Services

¹⁷ Minnesota Management and Budget, Child Welfare Inventory and Benefit-Cost Analysis, Results First, 2018

¹⁸ "Nurse-Family Partnership Minnesota", www.nursefamilypartnership.org, August 2018

1. **Conduct an in-depth study of the underlying causes of these disparities in Minnesota.**
Past research conducted outside of Minnesota suggests that there are a number of potential factors that could contribute to a high rate of OHC among AI/AN children: reporting and investigation bias,¹⁹ lack of economic resources²⁰, lack of access to culturally appropriate services,²¹ and historical trauma.²² These factors should be explored in the context of Minnesota and in the 7 geographic areas identified in this memo, which special attention paid to AI/AN children under age 2.
2. **Investigate increasing funding for prevention.**
In 2014, 46% of federal child welfare dollars went to out-of-home placements while only 15% went to in-home prevention services.²³ On February 9, 2018, the president signed the Bipartisan Budget Act of 2018 which included the Family First Prevention Services Act. This act amends the title IV-E foster care program to create new optional prevention funding under title IV-E. Title IV-E prevention services are time limited (one year) and provide funding for services to prevent children from being removed from their family home. Services funded through this act would include mental health/substance abuse and in-home parent skill-based programs for candidates of foster care without regard to whether the child would be eligible for title IV-E foster care, adoption, or guardianship. This act does not increase actual IV-E funds available to states and local agencies, but rather re-allocates current funding for out-of-home care into Family First services.²⁴

Minnesota has been taking steps over the past several years to highlight disparities experienced by AI/AN children and families across the state, including increased funding to address these disparities and to examine the factors influencing AI/AN children entering the child welfare system. With the recent legislation expanding IV-E funding to include prevention services the state has the opportunity to use those dollars to invest in family preservation efforts designed to keep children safely in their homes.

¹⁹ Huang, C. Y., Bory, C.T., Caron, C., Tebes, J. K., & Connell, C. M. (2014). Relationship of risk assessment to placement characteristics in a statewide child welfare population. *Children and Youth Services Review*, 46, 85-90.

²⁰ Skrypek, M., et al., (2017). Examining the potential for racial disparity in out-of-home placement decisions: A qualitative matched-pair study. *Children and Youth Services Review*, 75, 127-137

²¹ Carter, Vernon B. (2011). Urban American Indian/Alaskan Natives Compared to Non-Indians in Out-of-Home Care. *Child Welfare*, 90(1), 43-58.

²² Meriam, L., Brown, et.al., (1928). *The Problem of Indian Administration*. Baltimore: Johns Hopkins University Press

²³ Rosinsky, K. & Connelly, D. (2016). Child Welfare Financing SFY 2014: A survey of federal, state, and local expenditures. Child Trends.

²⁴ Titles IV-B, IV-E, and section 1108 of the Social Security Act as amended by Public Law 115-123, enacted February 9, 2018

APPENDIX A

Location	Percentage of All Children in Foster Care	Percentage of American Indian/Alaska Native Children in Foster Care
Alabama	0.46%	0.06%
Alaska	1.51%	3.58%
Arizona	1.05%	0.93%
Arkansas	0.69%	0.36%
California	0.60%	1.24%
Colorado	0.45%	0.42%
Connecticut	0.55%	0.33%
Delaware	0.38%	N.R.
Florida	0.57%	0.40%
Georgia	0.49%	0.19%
Hawaii	0.52%	1.19%
Idaho	0.35%	0.99%
Illinois	0.55%	0.33%
Indiana	1.26%	0.43%
Iowa	0.82%	4.64%
Kansas	1.02%	1.62%
Kentucky	0.77%	0.23%
Louisiana	0.40%	0.03%
Maine	0.72%	0.94%
Maryland	0.28%	0.10%
Massachusetts	0.79%	2.11%
Michigan	0.53%	0.58%
Minnesota	0.68%	10.98%
Mississippi	0.76%	0.07%
Missouri	0.89%	0.65%
Montana	1.48%	5.18%
Nebraska	0.85%	3.41%
Nevada	0.63%	0.71%
New Hampshire	0.47%	0.87%
New Jersey	0.33%	0.37%
New Mexico	0.53%	0.46%
New York	0.47%	0.36%
North Carolina	0.45%	0.87%
North Dakota	0.80%	3.28%
Ohio	0.52%	0.17%

Oklahoma	1.04%	0.86%
Oregon	0.87%	3.49%
Pennsylvania	0.60%	0.36%
Rhode Island	0.79%	0.95%
South Carolina	0.36%	0.13%
South Dakota	0.66%	2.43%
Tennessee	0.55%	0.19%
Texas	0.42%	0.16%
Utah	0.31%	0.77%
Vermont	1.08%	N.R.
Virginia	0.26%	0.02%
Washington	0.67%	2.57%
West Virginia	1.59%	0.17%
Wisconsin	0.57%	2.95%
Wyoming	0.71%	0.72%

Annie E. Casey Foundation. (2016). *Children in Foster Care by Race and Hispanic Origin* [Data file]. Retrieved from <https://datacenter.kidscount.org>.